

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 SSO-00 INRE-00 NSCE-00 SS-20 NSC-10 PA-04

PRS-01 USIE-00 L-03 DRC-01 /118 W

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O 091954Z NOV 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 1461

LIMITED OFFICIAL USE LA PAZ 6762

E.O. 11652: N/A

TAGS: ETRD, BL

SUBJ: COTTON CONTRACTS

REF: LA PAZ 6749

1. MEETING (ARRANGED AS REPORTED REFTEL) BEGAN AT 8:45 A.M. NOVEMBER 9

IN OFFICE SUB-SECRETARY RIOJA WHO PRESIDED, AND ENDED AT 9:50. (THERE WERE NO MININD/COM OR EMBASSY PARTICIPANTS). RIOJA OPENED MEETING BY SAYING HE ACTING AS INTERMEDIARY AND EXPECTED DISCUSSIONS BE CONSTRUCTIVE AND "HIGH-LEVEL". BARNETT (COOK) SAID HAD BEEN A LOT OF ERROR-RIDDEN PUBLICITY IN PRESS OVER LAST FEW DAYS AND THAT COOK/RALLI HAD WITHHELD FROM ANY PRESS STATEMENTS IN ACCORDANCE WITH EARLIER AGREEMENT. SUAREZ (ADEPA) AGREED PUBLICITY HAD BEEN UNFORTUNATE; SAID ADEPA NOT SOURCE OF IT, HAD NOT ISSUED PRESS STATEMENTS AND WOULD NOT DO SO. DID RAISE AGAIN ADVERSE PUBLICITY BOLIVIA RECEIVED FROM COOK/RALLI NOTICES PLACED IN FOREIGN PRESS. RIOJA SAID DISCUSSIONS WERE PRIVATE AND THERE WOULD BE NO PRESS RELEASES. ANTONGNELLI (COOK/RALLI REP) SAID ZAMORANO HAD PROMISED SAME.. RIOJA REPEATED ASSURANCES OF NO PUBLICITY.

2. BARNETT REFERRED TO SUAREZ-BARNETT TELECON EVENING NOVEMBER 8,
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ASKING ASSURANCES THAT NO PUBLICITY BE GIVEN TO COST COMPENSATION

PROPOSAL (COVERAGE BY COOK/RALLI SOME PORTION OF ADDITIONAL INTEREST, INSURANCE AND WAREHOUSE COSTS DUE TO DELAYED SHIPMENT OF COTTON). SUAREZ ASKED FOR SOME IMPROVEMENT ON SHORTFALL OFFER (10PERCENT PRICE INCREASE ON COTTON CONTRACTED FOR BUT NOT PRODUCED IN 1973). EXTENSIVE DISCUSSION ON THIS PORTION PROBLEM CONTINUED INTERRUPTED BY CAUCUSES, WITH ADEPA REPS EMPHASIZING HAD TO TAKE SOME IMPROVEMENT BACK TO SANTA CRUZ.

3. COOK/RALLI FINALLY PRESENTED WHAT THEY TERMED "BOTTOM LINE, FINAL NON-NEGOTIABLE" OFFER, CONSISTING OF THREE POINT PACKAGE. FIRST, THEY OFFERED "GRATUITIOUS CONTRIBUTION" OF \$ 0.02 PER POUND TO COVER ABOVE-EMNTIONED CARRYING COSTS. THEY ESTIMATED TOTAL SUCH COSTS AT \$0.0216 PER POUND. SECOND, THEY OFFERED TO CANCEL AT PAR, I.E., WITHOUT PENALTIES, SHORTFALL COTTON. THIRD, THEY OFFERED TO INCREASE PRICE ON COOK'S 1974 CONTRACTS BY 10PERCENT. IN ADDTION, THEY WILLING DISCUSS FURTHER PURCHASES 1974 CROP IF ADEPA SO DESIRES. SUAREZ ESTIMATED CARRYING COSTS OVER PAST FEW MONTHS AT \$0.12 PER POUND AND GAVE HIS PERSONAL OPINION THAT OFFER WOULD NOT BE ACCEPTED. RIOJA ASKED IF THIS WAS COOK/RALLI FINAL OFFER. BARNETT SAID IT WAS FINAL AND DESIGNED TO END DISCUSSIONS SO COOK/RALLI COULD DELIVER COTTON, AVOID FURTHER DETERIORATION OF IT, COTTON GROWERS COULD RECEIVE PAYMENT AND BOLIVIA COULD GET NEEDED F/X.

4. FOLLOWING MEETING, IN PRIVATE CONVERSATIONS, ADEPA REPS PLEADED WITH COOK/RALLI REPS TO STAY UNTIL SOLUTION REACHED. SAID SITUATION AMONG ADEPA MEMBERS VERY CONFUSED. ONE ADEPA REP WANTED COOK/RALLI REPS GO TO SANTA CRUZ. COOK/RALLI HAVE RECEIVED INVITATIONS INDIRECTLY FROM ROMERO LOZA, GASSER AND RODA AMONG OTHER PROMINENT SANTA CRUZ COTTON GROWERS TO GO TO SANTA CRUZ, THEY ARE CONSIDERING DOING SO, BUT ONLY WITH APPROVAL OF MINAG. STEDMAN

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 09 NOV 1973
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Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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30 JUN 2005

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